

## Bureau of Land Management, Interior

## § 3602.11

### **§ 3601.52 After I finish my operations, when must I remove improvements and equipment?**

After your contract or permit period expires, or after cancellation of your permit or contract, BLM will allow you up to 90 days, excluding periods of inclement weather, to remove the equipment, personal property, and any other improvements that you placed on the public lands. You may leave in place improvements such as roads, culverts, and bridges if BLM consents. If you fail to remove equipment, personal property, or any other improvement, it becomes the property of the United States. However, you remain liable for the cost of its removal and for restoration of the site.

#### CONTRACT AND PERMIT CANCELLATION

### **§ 3601.60 Cancellation.**

### **§ 3601.61 When may BLM cancel my contract or permit?**

BLM may cancel your contract or free use permit if you:

- (a) Fail to comply with the provisions of the Materials Act of 1947, as amended (30 U.S.C. 601 *et seq.*);
- (b) Fail to comply with any applicable regulations; or
- (c) Default in the performance of any material term, covenant, or stipulation in the contract.

### **§ 3601.62 Cancellation procedure.**

(a) BLM will give you written notice of any defaults, breach, or cause of forfeiture, either in person or by certified mail. You have 30 days after receiving the notice:

- (1) To correct all defaults;
- (2) To request an extension of time in which to correct the defaults; or
- (3) To submit evidence showing to BLM's satisfaction why we should not cancel your contract or free use permit.

(b) If you fail to respond to the notice under paragraph (a) of this section, or if delivery of the notice is refused, or not completed as described in § 1810.2 of this chapter, BLM may cancel the contract or permit.

#### UNAUTHORIZED USE

### **§ 3601.70 Unauthorized use.**

### **§ 3601.71 What constitutes unauthorized use?**

(a) Except as provided in paragraph (b) of this section, you must not extract, sever, or remove mineral materials from public lands under the jurisdiction of the Department of the Interior, unless BLM or another Federal agency with jurisdiction authorizes the removal by sale or permit. Violation of this prohibition constitutes unauthorized use.

(b) If you own the surface estate of lands with reserved Federal minerals, you may use mineral materials within the boundaries of your surface estate without a sales contract or permit only in the following circumstances:

- (1) You use a minimal amount of mineral materials for your own personal use;
- (2) You have statutory authority to use the mineral materials; or
- (3) You have other express authority to use the mineral materials.

### **§ 3601.72 What are the consequences of unauthorized use?**

Unauthorized users are liable for damages to the United States, and are subject to prosecution for such unlawful acts (see subpart 9239 of this chapter).

#### APPEALS

### **§ 3601.80 How do I appeal a final decision by BLM?**

If a BLM decision adversely affects you, you may appeal the decision in accordance with parts 4 and 1840 of this title.

## **Subpart 3602—Mineral Materials Sales**

#### APPLICATIONS

### **§ 3602.10 Applying for a mineral materials sales contract.**

### **§ 3602.11 How do I request a sale of mineral materials?**

(a) You may submit a written request for sale of mineral materials to the BLM office with jurisdiction over the

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site containing the materials. No particular form is required for this request.

(b) BLM also may initiate a sale without a request under paragraph (a) of this section.

### **§ 3602.12 How does the mineral materials sales process affect other users of the same public lands?**

(a) When BLM designates tracts for competitive or noncompetitive sale of mineral materials, and notes the designation in the public land records, it creates a right to remove the materials superior to any subsequent claim, entry, or other conflicting use of the land, including subsequent mining claim locations.

(b) The superior right under paragraph (a) of this section is part of all contracts and permits BLM authorizes within 2 years after the date we designate the tract. BLM may extend this 2-year period for one additional year for good cause. The right continues for the entire term of the contract or permit and any renewal term. The superior right under paragraph (a) of this section also applies to any subsequent contracts or permits that BLM authorizes within 2 years after the previous contract or permit expires or terminates.

(c) This right does not prevent other uses or segregate the land from the operation of the public land laws, including the mining and mineral leasing laws. However, such subsequent uses must not interfere with the extraction of mineral materials.

[66 FR 58901, Nov. 23, 2001; 67 FR 68778, Nov. 13, 2002]

### **§ 3602.13 How does BLM measure and establish the price of mineral materials?**

(a) BLM will not sell mineral materials at less than fair market value. BLM determines fair market value by appraisal.

(b) BLM may periodically reappraise the value of mineral materials not yet removed, and adjust your contract price accordingly. BLM will not adjust the price during the first 2 years of the contract. BLM also will not adjust the contract price during the 2-year period following any adjustment. However,

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BLM may adjust the price at the beginning of any contract renewal period.

(c) BLM measures mineral materials by in-place volume or weight equivalent. When BLM requires you to measure materials, we may either designate the method you must use or allow you to choose either method. We will verify your results.

### **§ 3602.14 What kind of financial security does BLM require?**

(a) For contracts of \$2,000 or more, BLM will require a performance bond of an amount sufficient to meet the reclamation standards provided for in the contract, but at least \$500. If you have a sales contract from a community pit or common use area and you pay a reclamation fee, BLM will not require you to post a performance bond.

(b) BLM may require a performance bond for contracts of less than \$2,000. We will not require a bond amount greater than 20 percent of the total contract value.

(c) A performance bond may be a—

(1) Bond of a corporate surety shown on the approved list (Circular 570) issued by the U.S. Treasury Department, including surety bonds arranged or paid for by third parties;

(2) Certificate of deposit that:

(i) Is issued by a financial institution whose deposits are Federally insured;

(ii) Does not exceed the maximum insurable amount set by the Federal Deposit Insurance Corporation;

(iii) Is made payable or assigned to the United States;

(iv) Grants BLM authority to demand immediate payment if you fail to meet the terms and conditions of the contract;

(v) States that no party may redeem it before BLM approves its redemption; and

(vi) Otherwise conforms to BLM's instructions as found in the contract terms;

(3) Cash bond, with a power of attorney to BLM to convert it upon your failure to meet the terms and conditions of the contract;

(4) Irrevocable letter of credit from a bank or financial institution organized or authorized to transact business in the United States, with a power of attorney to BLM to redeem it upon your